

S O C I A L S E C U R I T Y TODAY

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TWINS REUNITED IN SAN JUAN

By Myrna Perez,
Public Affairs Officer, San Juan

Separated at birth 49 years ago, the Melendez sisters thought they might never get to meet one another. But with our help, Carmen Rosa Melendez Soto and Carmen Lydia Melendez Mateo finally have been reunited.

Several months ago, a local news reporter called our office and asked if we could help Carmen Lydia locate her twin sister. The reporter explained that when the twins were born, the mother was very young and could afford to keep only one of the babies.

A search revealed a Carmen Rosa Melendez in New York. We agreed to send a confidential letter through her employer, asking if she would like to get in touch with her sister.

Carmen Rosa Melendez Soto grew up in New York as an adopted, only

child. Several years ago, Carmen Rosa learned that she had a twin sister. Still, the letter regarding her long lost twin came as quite a surprise to Carmen Rosa.

"At first glance, I thought the letter was informing me that somebody was using my name and Social Security number," said Carmen Rosa. "When I realized the letter was about my sister, I was overjoyed."

The producers of "Eso Vale," a television show here in Puerto Rico, arranged for a surprise meeting between the twins on the air. Carmen Rosa flew to San Juan and met her birth mother just prior to the show.

"I was excited and nervous at the same time," said Carmen Rosa. "Meeting my birth mother was incredible. As I walked onto the stage to meet Carmen Lydia, I was filled with emotion. I think everyone in the studio had tears in their eyes when my sister and I embraced for the first time."

Since the broadcast, Carmen Rosa has visited with her sister and has met

her other eight siblings along with a host of relatives.

"I'm overwhelmed by the number of relatives I have in Puerto Rico," said Carmen Rosa. "It's funny. My sister and I grew up in two totally different worlds, but we have a lot in common. For instance, we're both very quiet, and we like to help people."

The Melendez sisters now talk by phone at least once a week. And, in July, the sisters hope to celebrate their 50th birthdays together in Puerto Rico.

"We're trying to make up for lost time," said Carmen Rosa. "I guess I'll always wonder what it would have been like to grow up with my family in Puerto Rico. But I'm so grateful to Social Security for finally bringing us together."

Ed's note: Social Security records are kept confidential, but under certain compelling humanitarian or financial circumstances, Social Security will help to get needed information to a missing person by forwarding a letter to that person.



Photo: Courtesy Primera Hora/Andre Kang

THE FUTURE OF SOCIAL SECURITY

If you're a TV viewer, you'll probably see us soon with cranes, helicopters and other heavy-duty equipment building a Social Security card. Our "construction" public service announcement explains that Social Security has been changing over the last six

decades and will need to change again to meet the needs of America's 76 million baby boomers. The spot invites viewers to call 1-800-772-1213 and ask for the booklet, *The Future Of Social Security*. It's scheduled to begin airing this spring.



ANNCR: Over the last six decades,



Social Security has changed to meet the needs of society.



As 76-million baby boomers



approach retirement,



Social Security will need to change once again.



Understanding the problems and the proposed solutions



is the first step to building an informed decision. For more information call



1-800-772-1213 and ask for the booklet, *The Future Of Social Security*.

MEET A BENEFICIARY

AERIALIST FINDS A SAFETY NET IN SOCIAL SECURITY

There's something magical about going to the circus. Whether it's the aroma of cotton candy, peanuts and popcorn, the sheer athletic prowess and death defying feats of the highwire walkers, the magnificence of the elephants, horses and large felines, or the ringmaster welcoming you to the greatest show on earth, it all adds up to a unique sensation that captivates young and old alike.

While boys and girls dream about running away from home to join the circus, Mario Wallenda was actually performing in the circus as a member of The Great Wallendas, the most famous wire-walking and acrobatic troupe in circus history. According to Mario, he and his relatives learned to walk the highwire as early as age 4. In fact, Mario spent more time playing on the wire than he did on the ground. It was not unusual as a small child to play at heights from 10 to 30 feet.

Led by his father, the legendary Karl Wallenda, the Great Wallendas were world renowned for their dexterity, precise teamwork and sheer courage. The signature feat of the Wallendas was the famed seven-man pyramid. "We practiced and performed it a few hundred times and we never fell," says Mario. But unfortunately, the Great Wallendas did fall during a performance in Detroit in 1962. Mario's cousin, Dieter, and his brother-in-law,

Dick, both died in the accident. Karl grabbed one of the young performers saving her life, but Mario fell to the ground. He was the only one who hit the ground and survived, but he would never walk again.

Mario says he doesn't remember the accident, yet he has always been philosophical about it. "Anybody that ever fell either got better in six months or a year or they were killed," he says. "That's just the way it is. You play, you pay. I don't know why I lived, but I didn't die and I didn't get better, and here I am."

It took several months for Mario, barely in his twenties, to recover. He credits his Aunt Yeddy and his nurse, Linda, for helping him to recover. Shortly after his recovery, a courtship began, and Linda became his wife. Mario went on to have a successful career in Sarasota, Fla, working for a large contact lens manufacturer.

In 1975, he suffered a pressure sore

caused by his immobility which sent him to the hospital. When the injury was almost healed he rolled over in his bed and snapped his left femur. Later, while still hospitalized, he broke the leg again. He seriously considered amputation, but Linda persuaded him to get a second opinion. "The second doctor thought the leg could be saved," he says.

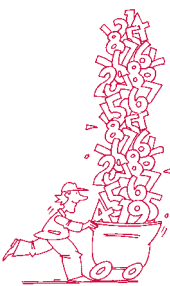
According to Mario, it was at this time that Social Security came into play. "I was off for most of 1976. Social Security was one of the best things that happened to me. I spent most of the year in the hospital, and Social Security came through with regular monthly payments I could count on."

"Most people think they're never going to need Social Security," Mario says. "I didn't think I would. When you're young, you think you've got the world. But it came in handy for me." Because of Social Security,

Mario has been able to return to his job, but he still faces health challenges that would have caused less determined individuals to simply give up.

Mario seldom goes to the circus anymore and when he does, it's only to see relatives. "I enjoyed traveling most of all. Performing was all right, but what I really liked was the elephants."

Even though his father Karl, died at age 76 while skywalking in Puerto Rico and his beloved Aunt Yeddy died skywalking 100 feet above the ground, and even though other relatives have died or suffered injuries, Mario insists he would walk the highwire if he could do it all over again. "Absolutely," he says. "I'd do it without a second thought. That's what we lived for."



While you are reading Social Security Today (about 15 minutes)... We've issued 160 new Social Security Numbers.



...170 people visited Social Security's website (www.ssa.gov).

COMMISSIONER'S MESSAGE



*Kenneth S. Apfel
Commissioner
of Social Security*

It's no secret. Our economy is strong, stronger than it's been in the past 30 years. We've had the fastest wage growth in more

than two decades, the lowest peacetime unemployment rate in 41 years and the highest home ownership rate in history. We've gone from annual budget deficits of \$300 billion to a surplus this year of about \$76 billion. That budget surplus is the first in a generation and projections call for more and larger surpluses in the years to come. These strong economic forecasts present us with a real window of opportunity to save Social Security for the 21st century.

But here's a fact most Americans are not aware of. If Social Security were to

disappear tomorrow, more than half of all older Americans would wake up poor the following day. Social Security is the major source of income for two-thirds of the elderly. For one-third of the elderly, Social Security is virtually the only income they have.

There's more. Today, Americans are living longer, healthier lives, which of course is good news. But that also means that by 2030, we'll have twice as many older Americans as today – 70 million compared to 35 million. While there are currently three workers supporting each Social Security beneficiary, by 2032 there will be only two workers supporting each beneficiary. At that time, the Social Security trust funds will be exhausted and tax revenues will be able to pay only about three-quarters of the benefits due.

That's why we must act and we must act now. We can't just celebrate today's prosperity; we have to use it to prepare for tomorrow's challenges. President Clinton has proposed a framework to strengthen Social Security that will help us meet the challenge of the next century. He proposes transferring 62 percent of the budget

surplus, about \$2.7 trillion, to Social Security over the next 15 years. A small part of that money, about 20 percent, would be invested in private markets to earn a better rate of return. That investment would represent about 4 percent of the total stock market. By contrast, state and local government pension funds represent about 10 percent of the stock market today. The funds would be invested by private money managers, not by the government. And any risks would be borne by the government, not by individuals. There would also be safeguards to avoid politicizing the investment process. These actions would move the date of the Social Security trust fund exhaustion from 2032 to 2055.

The President has provided this framework and direction for increasing the solvency of Social Security. He has called for bipartisan action to place Social Security on sound footing for a full 75 years. What better time to act than now, while we have these budget surpluses that can be used to ensure the retirement security for millions of Americans?



850 people received a statement from Social Security showing how much they'll receive in benefits when they are eligible.

SENIORS DOT GOV GOES LIVE

Look for a new website hosted by Social Security — Access America for Seniors. The website offers one-stop service to millions of seniors now discovering the ease and convenience of the Internet. The address is www.seniors.gov.

Access America for Seniors offers a wide range of links to federal government information and services including information on Medicare, nursing homes, HUD housing and VA benefits. You can link to the U.S. Postal Service to look up a ZIP code or get a form to notify the post office of a change of address, link to the Office of Personnel Management to look for a federal job opening, or link to Social Security's own website (www.ssa.gov) to find your nearest Social Security office.

One of two new services Social Security is providing at www.ssa.gov is a request for a replacement SSA-1099, the benefit statement from Social Security that people use

when filing their income tax returns. Social Security expects to receive about 870,000 requests this year for forms to replace originals that were lost or mutilated. Providing the request form on the Internet saves beneficiaries time and saves the government about \$1.50 for each request.

A second statement, the benefit verification letter frequently used by low-income aged and disabled beneficiaries to establish eligibility for state and local assistance, is also available either directly from Social Security's website or by linking to it via Access America for Seniors. In extending these services on the Internet, Social Security has put in place appropriate privacy and security safeguards. The online request form requires users to enter their name, Social Security number, date of birth, place of birth and mother's maiden name to verify the requester's identity. This information must match the information in Social Security records exactly before the agency generates a response. The state-

ments are mailed only to the beneficiary's address in Social Security records. This is the address where beneficiaries receive their checks or, if they have direct deposit, their official notices regarding their Social Security benefits. (Of course the statements are also available by writing to Social Security, by calling 1-800-772-1213, or by visiting a Social Security office in person.)



Although Access America for Seniors is available 24 hours a day, Internet requests for the statements from Social Security can be made only Monday through Friday, 8 a.m. through 9 p.m. and Saturdays from 9 a.m. to 4 p.m., Eastern time.

SOCIAL SECURITY GETS AN A

Social Security is at the top of its class. The Maxwell School of Citizenship and Public Affairs at Syracuse University recently rated Social Security as the best-run government agency.

The assessment, called the Government Performance Project, selected 15 agencies representing an array of services, and ranked them in five areas – finances, human resources, information technology, capital investment and managing for results. Social Security aced the first four categories and took a "B" in managing for results. Social Security was the only agency to score an overall "A" grade.

"There is a strong correlation between performance and public confidence in government," Social Security Commissioner Kenneth Apfel pointed out when the results were announced. "When



180 people applied for benefits.

we make government work, public confidence and trust in government rises.

"We administer programs that affect the lives of virtually all Americans," he added. "This year, more than 26 million people will walk into our 1,300 offices across the country. More than 70 million people will call our 800 number. You can imagine how important it is to have effective information systems and financial management systems so we can handle this workload. We know our monthly benefit payments are an important part of the quality of life for 50 million Americans ... and millions more who are protected in case of death or disability.

"Our goal is to do all of this – and more – correctly, to do it timely, and to do it with the utmost courtesy and consideration for our customers.

"But it does not just happen. It takes the dedicated work of the management team and all 65,000 agency employees ... all committed to excellence and results."

WHO PAYS SOCIAL SECURITY TAXES

Ever wonder who pays Social Security taxes? Why you do, of course, if you work. And so do more than 140 million other people. You pay 7.65 percent of your gross wages (6.2 percent for Social Security up to the \$72,600 wage base in 1999, and 1.45 percent for Medicare without a limit on earnings).

But it doesn't end there. Your employer matches your tax payments dollar for dollar. In many cases, Social Security forms an important component in your employer's retirement plan. If you're self-employed, you pay the combined employee/employer tax. However, there are special deductions you can take when you file your taxes to offset part of your taxes. So you see, both workers and employers have an important stake in Social Security.

WE'RE READY FOR THE YEAR 2000

Late last year, President Clinton announced that Social Security had completed testing its computer systems, and all critical systems are now Y2K compliant. In fact, Social Security and the Treasury Department have been making benefit payments using the updated software since October.

That's good news for the 49 million Americans who count on Social Security each month to get their payments out on time and in the right amount. In making the announcement,

President Clinton said, "The Social Security Administration is now 100 percent compliant with our standards and safeguards for the year 2000. To make absolutely certain, the system has been tested and validated by a panel of independent experts; the system works; it is secure. And therefore, older Americans can feel more secure."

For those not familiar with the year 2000 problem, or what techies in the computer business call the Y2K problem, it's a calendar glitch that can affect computer systems worldwide. Early computers had limited space so they

were programmed to read only the last two numbers in a date. When we get to January 1, 2000, because there is no instruction for the 19 to go to 20, it could cause computers to shut down or malfunction. Because Social Security relies on a vast computer network to keep track of earnings for 145 million workers, take six million applications for benefits a year, and pay monthly benefits to 49 million beneficiaries, the agency began working on the problem as soon as it was identified in 1989. Since then, Social Security has taken the lead among government agencies in fixing the problem.

In a very labor-intensive effort, Social Security checked and fixed hundreds of systems and millions of lines of software. Nearly 2,800 employees including 700 programmers were involved in preparing for the year 2000.

The Social Security system has now been tested and validated. In addition, Social Security will continue to test the system throughout 1999 to assure continued operational efficiency. The federal systems supporting Social Security are ready for the 21st century, and Social Security will be able to provide benefits without interruption to the nation's seniors throughout 1999 and into the year 2000.

YOUR WINDOW ON Y2K

Do you want to find out what Social Security is doing to make sure its computer operations are ready for January 1, 2000? If so, be sure to check out our Internet website at www.ssa.gov/year2000 to see what steps we're taking to ensure that there will be no interruption in benefit payments or any other business we conduct as we move into the new century. You can also link from this web page to other agencies to learn about Y2K preparations throughout government.

DISABILITY BENEFITS CAN CONTINUE WHILE YOU WORK

Don't let the fear of losing your disability payments or your medical coverage discourage you from trying to work. Under special rules called "work incentives," you can continue to receive cash benefits and health care coverage while you test your ability to work on a regular basis. Different work incentives are available, depending on whether you receive Social Security or Supplemental Security Income disability payments.

If you're thinking about going back to work, look into these special rules. They're designed to help you make the transition to full-time employment without the risk of losing your benefits. However, be sure to let Social Security know that you're returning to work, even if it's only on a trial basis.

For more information, call Social Security at 1-800-772-1213 and ask for the booklet, *Working While Disabled—How We Can Help* (Publication No. 05-10095). You can also obtain information about work incentives on the

Internet at www.ssa.gov.



Social Security paid \$11,800,000 to beneficiaries.

REPORTING REMINDERS

As most people who work and get Social Security know, it's no longer necessary to report your wages to Social Security if you earn more than the annual exempt amount. That's because the information is now supplied by the Internal Revenue Service based on the earnings reported on your W-2 or self-employment tax return. But there are some things you still need to let Social Security know about. For instance, if your earnings change during the year, you'll need to revise your earnings estimate that you filed when you applied for benefits.

Here are some other things you should report to Social Security.

- If you change your address, you'll want to be sure to let Social Security know so you can get your 1099 benefit statement and other important information at your new address.
- If you change your bank or open a new account, you'll want to let Social Security know so your direct deposit can go to the proper location. You'll need to supply your old and your new account information when you do.
- You'll also want to let Social Security know if a beneficiary dies.
- If you get married or divorced, it could affect the amount of your benefits. Be sure to let Social Security know.
- If you change your name because of marriage, divorce or court order, you should notify Social Security so the name on your records can be changed.
- If you are caring for a child who is under 16 or disabled, you should notify Social Security if the child leaves your care. You'll need to supply the name and address of the person the child is living with.

To notify Social Security of any changes, just call 1-800-772-1213.

A REMINDER FOR SELF-EMPLOYED WORKERS

If you're self-employed it's up to you to make sure you report your earnings accurately and on time. Otherwise, when it's time to collect Social Security benefits, you may not get all the benefits you are entitled to receive. Social Security

benefit amounts are calculated on the amount of earnings or self-employment income that is posted on your record.

You are considered self-employed if you operate a trade, business or profession, either by yourself or as a partner. Self-employed people, unlike individuals who work for an employer, do not receive W-2s listing their earnings. Therefore, self-employed people whose net earnings are \$400 or more in a year must report those earnings on an IRS Schedule SE along with their regular IRS 1040 tax form.

The Social Security tax rate for 1998 is 15.3 percent on self-employment net earnings up to \$68,400. If your net earnings exceeded \$68,400, you continued to pay the Medicare portion of the Social Security tax, 2.9 percent, on the rest of your earnings. (The 1999 earnings limit is \$72,600.)

If you discover that you have not reported all of your self-employment income in a particular year, you may have time to make corrections. The deadline for reporting self-employment income so you can get credit for it on your Social Security record is 3 years, 3 months, and 15 days from the last day of the tax year in which the income was earned. For more information about reporting self-employment income, call our toll-free number, 1-800-772-1213.

Social Security Today is published bimonthly to keep readers up to date on important information about the Retirement, Survivors and Disability Insurance programs, Supplemental Security Income and Medicare. Permission is given to reprint articles, pictures and information. We would appreciate crediting the Social Security Administration as the source. Please direct correspondence to Editor, Social Security Today, 4-10 West High Rise, 6401 Security Boulevard, Baltimore, MD 21235-6401 or send email to Richard.W.Schwartz@ssa.gov. Social Security Today is also available on the Internet at www.ssa.gov.

FOR MORE INFORMATION

If you'd like more information about any of the items in Social Security Today, there's an easy way to find out more. Just call Social Security at 1-800-772-1213 weekdays between 7 a.m. and 7 p.m. To make sure you get through as fast as possible call early in the day. Other good times to call are later in the week and later in the month. If you have access to the Internet, you can also get a variety of information about Social Security programs at www.ssa.gov.

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2,400 people called Social Security for information or to report changes. (1-800-772-1213).